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In order to facilitate use of § 1.28–1, this section lists the paragraphs, subparagraphs, and subdivisions contained in § 1.28–1.

[T.D. 8232, 53 FR 38710, Oct. 3, 1988; 53 FR 40879, Oct. 19, 1988]

§ 1.28–1 Credit for clinical testing expenses for certain drugs for rare diseases or conditions.

(a) *General rule.* Section 28 provides a credit against the tax imposed by chapter 1 of the Internal Revenue Code. The amount of the credit is equal to 50 percent of the qualified clinical testing expenses (as defined in paragraph (b) of this section) for the taxable year. The credit applies to qualified clinical testing expenses paid or incurred by the taxpayer after December 31, 1982, and before January 1, 1991. The credit may not exceed the taxpayer's tax liability for the taxable year (as determined under paragraph (d)(2) of this section).

(b) *Qualified clinical testing expenses—* (1) *In general.* Except as otherwise provided in paragraph (b)(3) of this section, the term ''qualified clinical testing expenses'' means the amounts which are paid or incurred during the